

May 15, 2013

Item No. 4

**AUTHORIZATION TO EXECUTE AN AGREEMENT  
TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT  
FOR THE DREX**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for The Drex.; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.

**CORPORATE GOAL**

The purpose of this contract is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for twelve (12) apartments detailed below.

**FUNDING: Housing Choice Voucher Program**

**Property SUMMARY**

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
The Drex	Chatham; 8 <sup>th</sup> Ward; Michelle Harris	8031 S. Drexel, LLC	Veterans & Veteran Families	12	12

**Contract SUMMARY**

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
The Drex	HCV Program	30 Years	AHAP/ HAP Contract	\$108,000 /year	\$3,240,000 (30 years)	November, 2012

## **BACKGROUND**

### **Waiting List / Occupancy Process**

It is the intent of the owner/manager of this property to lease all of the units to eligible persons from CHA's waiting lists. Eligibility for the property includes being a Veteran, or having a family member who is a Veteran, and is interested in receiving supportive services. To accomplish this CHA utilize a cross-referenced list of Central Referral System (CRS) applicants and CHA applicants who have identified themselves as Veterans. CHA will also make referrals from its Public Housing and HCV waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied who have identified themselves or a family member as having served in the military. The CHA waiting list of Veteran applicants will be exhausted prior to utilization of a site based waiting list.

### **The Drex**

#### **Proposed Development**

- Renovation of a vacant 3-story apartment building in Chatham as supportive housing for veterans.
- The basement will contain Supportive Services offices, meeting space and laundry.
- The programs include intensive case management and supportive services for homeless individuals and families living with a myriad of health challenges and disabilities.
- Previously approved by BOC Operations Committee on March 13, 2013.

#### **Developer Background**

- PMG/Chestnut Investments private equity firm headquartered in New York.
- (Chicago Principal: Noah Gottlieb)
- PMG has invested more than \$10 million of capital in over 70 projects in Chicago.
- PMG Chicago is also an approved developer in HED's NSP Program.

#### **Financing**

- PMG was selected as the developer of this property under NSP in 2012.
- The project will be financed with NSP funds, a loan from CIC and developer equity.
- Rehab is expected to begin in May 2013 for occupancy in March of 2014.

### **Conclusion**

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an Agreement to enter into a Housing Assistance Payments contracts for The Drex.

The CEO/President recommends the approval to execute an Agreement to enter into Housing Assistance Payments contracts for The Drex.

**RESOLUTION NO. 2013-CHA-31**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 15, 2012 requesting authorization to execute an Agreement to enter into a Housing Assistance Payments contracts for The Drex;

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract for the Drex; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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